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SUBJECT: PRESIDENT ARROYO'S UPCOMING TRAVEL TO CHINA

- 11. This is an action message -- see para 4.
- 12. (SBU) President Arroyo plans to attend the Association of South East Asian Nations (ASEAN)-China Commemorative Summit on October 30-31 in Nanning, China. The Summit will celebrate 15 years of association between ASEAN and the People's Republic of China. According to Daniel Espiritu, Director of the China and North Asia Division of the Philippine Department of Foreign Affairs, President Arroyo also intends to make "social calls" on prominent business leaders in Fujian, homeland of most of the Sino-Filipino community, but he described these travel plans as "unofficial" and "not foreign affairs matters."
- 13. (SBU) Separately, Daniel Laogan, a prominent Sino-Filipino businessman and legal counsel for the powerful San Miguel Corporation, complained that his peers are mostly unsatisfied with the profitability of their investments in China, blaming corrupt Chinese municipal and provincial officials. President Arroyo's "social calls," stated Laogan, are designed to fortify the position of these business interests vis-a-vis "predatory" Chinese officials. Laogan indicated that President Arroyo will travel to Xiamen on October 27, prior to the Summit.
- 14. (SBU) Comment and Action Request: President Arroyo's visit represents an opportunity for her to raise points of mutual interest to the U.S. and the Philippines with her Chinese interlocutors and other ASEAN leaders at the Summit, including possible North Korea. Please advise if we have any desired talking points to convey to her before this travel and the Summit.